Payroll fraud – Working while off sick

Mary was on long-term sick leave from her position at an NHS health body because of back-related medical issues. She was well enough to go to her local supermarket; however, when she was there she walked straight past the aisles of food and drink and into the back office, where she worked with a private GP as a locum nurse for the staff and management. During a year’s absence from work, Mary had also assisted with fitness tests for the Ministry of Defence, as well as working at a local private hospital. During all this time, she was receiving sick pay from her employer, which means she was effectively being paid twice. The health body not only paid Mary’s salary but also had to pay for locum cover for her post. When Mary was confronted about this, she claimed not to know that she wasn’t allowed to work elsewhere, but the judge didn’t agree. Mary lost her job, gained a criminal conviction, had to appear before a professional disciplinary committee and was ordered to pay back the money she had stolen.

What could have prevented this fraud?

Mary’s manager had not followed health body procedures for managing long-term absences. By using these procedures, which are based on concern for staff welfare, they would have found out that Mary did not really have a condition which made work impossible. The manager also didn’t make sure that the sickness policy was explained to Mary when she started working at the health body. Mary hadn’t been told specifically that she could not work elsewhere, even though it was plain that she could not. If properly explained, the clear rules in place at the health body could have deterred a long-term fraud that squandered NHS resources.

Health bodies should particularly consider the following measures:

- There should be policies and procedures in place on employees doing ‘second jobs’, and they should be communicated to staff at all levels.
- The employees’ code of conduct should include a requirement for staff to inform their manager of any second job.
- A standard clause can be included in contracts of employment to prohibit employees from undertaking any other work without their employer’s consent. This may not be applicable to all staff, for example those working on a part-time basis.
- Employees should be required to complete a form every year to declare any business interests which may be relevant to the work of the health body and details of any other employment.
- If unpaid or paid work, study or training is authorised, managers should put this in writing to the employee and a copy of the letter should be emailed to the HR manager.
- When the employee returns to work after a sickness leave period, they should have a return to work meeting with their manager. The manager should ask whether they did any unpaid or paid work, study or training during the period of sick leave and record their answer on the sickness/absence notification form which is sent to payroll.

NHS Protect leads on work to protect NHS staff and resources from crime. For more information and resources on payroll fraud, and more details on the rest of our work, please visit our website at www.nhsprotect.nhs.uk
Return to work forms should include the following declaration:

“Employee declaration (delete as appropriate):

I confirm that I did not undertake any unpaid or paid work, study or training, during the period of sickness, which was not approved in advance and in writing by my line manager.

I confirm that I did undertake unpaid or paid work, study or training, during the period of sickness, which was not approved in advance and in writing by my line manager.

In cases of long-term absence, line managers must arrange to conduct regular review meetings to discuss possible courses of action should the absence continue. The meetings should be recorded and notes sent to the employee concerned.

How can I help prevent fraud in the NHS?

It is much more effective to prevent fraud than to detect it and stop it, particularly in an organisation as large as the NHS. Therefore, we always recommend that measures are put in place to prevent fraud from occurring in the first place.

Besides the specific measures listed above, please consider the following for all your policies and procedures:

- Do you know if there are clear rules and procedures/processes in place? Who is responsible for making sure they are followed?
- Check that monitoring arrangements exist.
- Are all staff and patients aware of the rules governing what they can and cannot do?

Who pays for NHS fraud? We all do.

How can I report a fraud (or suspected fraud) taking place in the NHS?

- Call the NHS Fraud and Corruption Reporting Line on **0800 028 40 60** (freephone). Lines are open 9am–5pm Monday to Friday.
- Fill in the online fraud reporting form at [www.reportnhsfraud.nhs.uk](http://www.reportnhsfraud.nhs.uk)
- Ask your Local Counter Fraud Specialist for advice. Contact details are available from the relevant NHS health body.

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